

Message Text

UNCLASSIFIED

PAGE 01 LONDON 05246 01 OF 02 301747Z

ACTION EB-08

INFO OCT-01 ISO-00 AGRE-00 IO-13 AF-08 ARA-10 EA-09
EUR-12 NEA-10 SP-02 USIA-15 AID-05 NSC-05 TRSE-00
SS-15 STR-04 OMB-01 CEA-01 CIAE-00 DODE-00 INR-07
NSAE-00 PA-02 PRS-01 COME-00 ITC-01 L-03 H-02
/135 W

-----301952Z 059205 /41

R 301734Z MAR 77

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 2134

INFO AMEMBASSY BRASILIA

AMCONSUL RIO DE JANEIRO

AMCONSUL SAO PAULO

AMEMBASSY DAR ES SALAAM

AMEMBASSY NAIROBI

AMEMBASSY SAN SALVADOR

AMEMBASSY GUATEMALA

AMEMBASSY MEXICO

AMEMBASSY MANAGUA

AMEMBASSY BOGOTA

AMEMBASSY YAOUNDE

AMEMBASSY JAKARTA

AMEMBASSY ABIDJAN

AMEMBASSY KINSHASA

AMEMBASSY ADDIS ABABA

UNCLAS SECTION 01 OF 02 LONDON 05246

FOR: EB/TRP - MR. O'DONNELL

E.O. 11652: N/A

TAGS: EPAP

SUBJECT: COFFEE -- LONG AND MEDIUM-TERM STUDY ON SUPPLY/
DEMAND

1. REPRODUCED BELOW ARE THE DRAFT TERMS OF REFERENCE
FOR A STUDY ON SUPPLY AND DEMAND SUBMITTED TO THE INTER-
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 LONDON 05246 01 OF 02 301747Z

NATIONAL COFFEE ORGANIZATION (ICO) EXECUTIVE BOARD ON
MARCH 24. THE BOARD APPROVED THE PAPER WITH THE PROVISIO
THAT GOVERNMENTS SHOULD BE ENCOURAGED TO MAKE FURTHER
SUGGESTIONS. THE BOARD RE-ESTABLISHED THE AD HOC
WORKING GROUP AS A SORT OF OVER-SIGHT COMMITTEE. THIS
WILL MEET IN MAY TO COMPLETE WORK ON TERMS OF REFERENCE,
PARTICULARLY TO FLESH OUT THE SECTION ON DEMAND.

2. "TERMS OF REFERENCE FOR A STUDY ON SUPPLY AND DEMAND.
INTRODUCTION.

1) THE STUDY TO BE SUBMITTED TO MEMBERS PRIOR TO THE
SESSION OF THE INTERNATIONAL COFFEE COUNCIL IN SEOTEMBER
1977 SHALL BE DIVIDED INTO TWO MAIN PARTS:

- (A) SUPPLY; AND
- (B) DEMAND.

2) THE STUDY SHALL COVER TWO MAIN PERIODS:

- (A) THE SHORT TERM UP TO 1979 (IN EFFECT
THIS WILL MEAN REVIEWING AND REVISING THE
DATA COVERED BY THE SHORT-TERM STUDY PRE-
OARED FOR THE WORKING GROUP ON SUPPLY AND
DEMAND (DOCUMENT EB-1500/77); AND
- (B) THE MEDIUM TERM COVERING 1979, 1980
AND 1981.

SUPPLY.

3) THE STUDY SHALL COVER ALL MEMBER COUNTRIES EXPORTING
MORE THAN 400,000 BAGS. WHENEVER POSSIBLE APPRAISAL
MISSIONS SHOULD BE SENT TO THE FOLLOWING COUNTRIES:
COLOMBIAN MILDS: COLOMBIA AND TANZANIA OR KENYA
OTHER MILDS: EL SALVADOR, GUATEMALA AND MEXICO
AS WELL AS NICARAGUA FOR INFORMATION
ON THE OUTBREAK ON LEAF RUST
UNWASHED ARABICAS: BRAZIL AND ETHIOPIA
ROBUSTAS: ANGOLA, CAMEROON, INDONESIA, IVORY
COAST, UGANDA AND ZAIRE.

4) INFORMATION ON THESE COUNTRIES SHALL BE OBTAINED BY
ALL POSSIBLE MEANS INCLUDING, IF POSSIBLE, THE SENDING
UNCLASSIFIED

UNCLASSIFIED

PAGE 03 LONDON 05246 01 OF 02 301747Z

OF MISSIONS AND THE ENLISTING OF THE HELP OF THE WORLD
BANK AND THE FOOD AND AGRICULTURE ORGANIZATION OF THE
UNITED NATIONS TO OBTAIN INFORMATION THROUGH THEIR
MISSIONS.

5) SPECIFIC INFORMATION TO BE OBTAINED FROM EXPORTING
COUNTRIES SHALL INCLUDE:

- (A) ROSS AND NET RETURNS TO GROWERS AND PROFITS
FROM COFFEE AT DIFFERENT LEVELS OF PRICE AND YIELD
IN COMPARISON TO THOSE OBTAINABLE FROM OTHER COM-
PETING AGRICULTURAL CROPS;
- (B) THE AVAILABILITY AND COST OF LABOUR AND THE OUT-
LOOK FOR A CONTINUED SUPPLY OF FARM LABOUR IN THE
FACE OF THE ATTRACTION OF URBAN AND INDUSTRIAL
EMPLOYMENT;
- (C) THE NUMBER OF COFFEE TREES FOR EACH COUNTRY AS A
WHOLE AND FOR EACH REGION BROKEN DOWN BY AGE AND
TYPE OF TREE, INCLUDING INFORMATION ON PLANTING OF
NEW VARIETIES;
- (D) THE AVERAGE SIZE OF COFFEE FARMS AND NUMBER OF

TREES PER FARM;

(E) THE AVAILABILITY OF SUITABLE LAND FOR THE
DEVELOPMENT OF PRODUCTION OF COFFEE, ITS ACCESSI-
BILITY AND INFRASTRUCTURE;

(F) THE DIRECT OR INDIRECT ECONOMIC INCENTIVES TO
EXPAND PRODUCTION AND TO IMPROVE QUALITY, INCLUDING
AVAILABILITY OF CREDIT FACILITIES OR GRANTS AND
SUBSIDIES ON FERTILISERS, SEEDS AND FARM EQUIPMENT;

UNCLASSIFIED

NNN

UNCLASSIFIED

PAGE 01 LONDON 05246 02 OF 02 301810Z
ACTION EB-08

INFO OCT-01 ISO-00 AGRE-00 IO-13 AF-08 ARA-10 EA-09
EUR-12 NEA-10 SP-02 USIA-15 AID-05 NSC-05 TRSE-00
SS-15 STR-04 OMB-01 CEA-01 CIAE-00 DODE-00 INR-07
NSAE-00 PA-02 PRS-01 COME-00 ITC-01 L-03 H-02
/135 W

-----301957Z 060181 /41

R 301734Z MAR 77

FM AMEMBASSY LONDON
TO SECSTATE WASHDC 2135
INFO AMEMBASSY BRASILIA
AMCONSUL RIO DE JANEIRO
AMCONSUL SAO PAULO
AMEMBASSY DAR ES SALAAM
AMEMBASSY NAIROBI
AMEMBASSY SAN SALVADOR
AMEMBASSY GUATEMALA
AMEMBASSY MEXICO
AMEMBASSY MANAGUA
AMEMBASSY BOGOTA
AMEMBASSY YAOUNDE
AMEMBASSY JAKARTA
AMEMBASSY ABIDJAN
AMEMBASSY KINSHASA
AMEMBASSY ADDIS ABABA

UNCLAS SECTION 02 OF 02 LONDON 05246

(G) THE TECHNICAL SERVICES AVAILABLE TO FARMERS TO

ENCOURAGE THE USE OF NEW HUSBANDRY TECHNIQUES FOR THE DEVELOPMENT OF COFFEE AND OTHER CROPS AND AN EVALUATION OF THE EXTENT TO WHICH FARMERS ARE TAKING ADVANTAGE OF THESE SERVICES AND ADOPTING NEW METHODS, PLANTING NEW VARIETIES AND INCREASING THE USE OF

UNCLASSIFIED

PAGE 02 LONDON 05246 02 OF 02 301810Z

MECHANICAL AIDS;

(H) THE PROCEDURES USED TO ESTIMATE THE SIZE OF CROPS FOR THE IMMEDIATELY ENSUING CROP YEAR AND FOR THE NEXT THREE CROP YEARS AS WELL AS THE PROCEDURES USED FOR RECORDING THE SIZE OF A CROP ONCE IT HAS BEEN HARVESTED;

(I) THE METHODS USED TO ASSESS THE ACREAGE PLANTED TO COFFEE OR TO BE PLANTED TO COFFEE. IS THIS BEING DONE ON A REGULAR BASIS? ARE NEW TECHNIQUES BEING USED, SUCH AS SURVEYS BY AIR OR BY SATELLITE, TO DETECT CHANGES IN THE PATTERNS OF PRODUCTION AND THE AMOUNT OF LAND UNDER CULTIVATION?

(J) THE ADEQUACY OF PRESENT PROCEDURES FOR THE VERIFICATION OF CARRY-OVER STOCKS AT THE END OF CROP YEARS, INCLUDING CLARIFICATION OF PROBLEM OF WORKING STOCKS;

(K) THE TRENDS OF INTERNAL CONSUMPTION AND THE POLICIES OF INCENTIVE OR DISINCENTIVE ADOPTED; AND

(L) THE CHECKING, COMPLETION AND EXPANSION OF STATISTICAL INFORMATION AVAILABLE AT THE ORGANIZATION.

6) THE STUDY SHALL, IN THE LIGHT OF COUNTRY ANALYSES, ASSESS PRODUCTION TRENDS AND SHALL CONTAIN RECOMMENDATIONS ON ICO ACTIVITIES WITH THE OBJECT OF IMPROVING AND EXPANDING, IN CO-OPERATION WITH MEMBERS, THE COLLECTION AND DISSEMINATION OF DATA ON SUCH MATTERS AS EXPANSION OF PLANTING, YIELDS, CROP ESTIMATES AND INTERNAL PRICES. DEMAND.

7) ANY ASSESSMENT OF FUTURE TRENDS IN CONSUMPTION MUST TAKE INTO ACCOUNT THE EFFECT OF PRESENT INCREASES IN PRICES. UNDER THESE CIRCUMSTANCES IT WILL NOT BE POSSIBLE BETWEEN NOW AND SEPTEMBER 1977 TO ASSEMBLE THE DATA NECESSARY TO PROVIDE THE BASIS FOR ACCURATE FORECASTING. EXISTING ECONOMETRIC MODELS AND OTHER METHODS FOR THE ASSESSMENT OF DEMAND SHOULD, AS A CONSEQUENCE, BE USED WITH CAUTION. A REVIEW OF THESE VARIOUS METHODS

UNCLASSIFIED

PAGE 03 LONDON 05246 02 OF 02 301810Z

SHALL BE MADE AS PART OF THE STUDY. A DETAILED EXAMI-

NATION SHALL ALSO BE MADE OF THE SITUATION IN THREE OR FOUR MAJOR CONSUMING COUNTRIES WITH A VIEW TO ESTABLISHING METHODS FOR MAKING SHORT-TERM ESTIMATES OF DEMAND AND OF MONITORING THESE ESTIMATES.

8) IN THE LIGHT OF ITS EXAMINATION OF ALL AVAILABLE DATA AND WITHIN THE LIMITATIONS REFERRED TO IN PARAGRAPH 7, THE STUDY SHALL ASSESS TRENDS IN CONSUMPTION IN THE YEARS IMMEDIATELY AHEAD. THE STUDY SHALL CONTAIN RECOMMENDATIONS ON THE ACTIVITIES OF THE ORGANIZATION WITH THE OBJECT OF IMPROVING AND EXPANDING IN CO-OPERATION WITH MEMBERS THE COLLECTION AND DISSEMINATION OF INFORMATION ON TRENDS IN CONSUMPTION."

3. ON MARCH 29 THE FINANCE COMMITTEE MET TO APPROVE A BUDGET FOR THE STUDY (WITH AUTHORITY DELEGATED BY BOARD). THIS BUDGET ALLOTS \$100,000 FROM THE RESERVE FUND, FOR APPROXIMATELY 285 MAN DAYS OF CONSULTANT FIELD WORK (VISITS TO COFFEE POSTS, INFO ADDRESSES ON THIS CABLE) PLUS 90 DAYS FOR REPORT WRITING. THE BOARD RECOGNIZED THAT THE FINAL REPORT WOULD PROBABLY NOT BE COMPLETED BY THE OCTOBER COUNCIL MEETING, AND INDEED, THE BUDGET DIVIDED CONSULTANT VISITS INTO TWO PERIODS, APRIL-JULY (10 COUNTRIES) AND AUGUST-NOVEMBER (7 COUNTRIES). NEVERTHELESS, A FAIRLY COMPREHENSIVE PROGRESS REPORT WILL BE MADE IN OCTOBER.

4. OBSERVATIONS FROM AN INDUSTRY ADVISER WHICH EB/TRB RECENTLY PROVIDED HAVE BEEN SENT TO ICO.

SPIERS

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AGRICULTURAL PRODUCTION, COFFEE, CONSUMPTION, PLANNING MEETINGS
Control Number: n/a
Copy: SINGLE
Sent Date: 30-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977LONDON05246
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770109-0405
Format: TEL
From: LONDON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t1977037/aaaaafwj.tel
Line Count: 254
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: aad6bab9-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 17-Sep-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3139748
Secure: OPEN
Status: NATIVE
Subject: COFFEE -- LONG AND MEDIUM-TERM STUDY ON SUPPLY/ DEMAND
TAGS: EPAP, ICO
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/aad6bab9-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009